

### **Fact Sheet About Recent Change Affecting Medicare Coverage**

In September 2001, the Centers for Medicare and Medicaid Services (formerly HCFA) issued a Program Memorandum that prohibits the automatic denial of claims for medical services based solely on the diagnosis of dementia. The policy clarification corrects a serious problem that many beneficiaries with Alzheimer's disease encountered because some Medicare carriers denied payment for medical services solely because the individual has Alzheimer's disease or a related dementia.

#### **What the new Program Memorandum means for Alzheimer's beneficiaries:**

- Medicare cannot refuse to pay for some medical services for beneficiaries with Alzheimer's disease solely because of their diagnosis. In some regions of the country, Medicare was denying needed medical care because of the incorrect belief that an individual with Alzheimer's disease cannot benefit from various interventions.
- Medicare will cover evaluation and management visits by physicians or other health care providers if reasonable and necessary.
- Medicare will cover physical, occupational and speech therapy if they are reasonable and necessary for the Alzheimer's beneficiary. For example, if an individual with Alzheimer's disease has an unsteady gait and physical therapy is necessary, Medicare will pay for it.
- Medicare will cover psychotherapy or other behavior management therapy provided by a mental health provider for an Alzheimer's beneficiary if the therapy is reasonable and necessary.
- Medicare will pay for home health care if the individual is homebound and requires a skilled service, such as nursing services, or physical, occupational or speech therapy, even if the beneficiary attends adult day care.

#### **What the Program Memorandum does NOT do:**

- Medicare will not cover prescription drugs for Alzheimer's disease.
- Medicare will not pay for adult day care.
- Medicare will not pay for room and board in an assisted living facility or custodial care in a nursing home, but Medicare will pay for medically necessary services, such as physical, occupational and speech therapy, mental health services and hospice care.
- Medicare will not pay for 24-hour personal care in the home.

#### **For More Information:**

Centers for Medicare and Medicaid Services (formerly Health Care Financing Administration): [www.hcfa.gov](http://www.hcfa.gov); [www.medicare.gov](http://www.medicare.gov)

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